



## ACHIEVING JOB PERFORMANCE FROM EMPOWERMENT THROUGH THE MEDIATION OF EMPLOYEE ENGAGEMENT: AN EMPIRICAL STUDY

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### ABSTRACT

In present scenario, business organization understood the importance of sophisticated employee behavior for the development of overall job performance. It is important for an organization to perform effectively for that it enhances their employee's job performance. Many study supports that an empowered employee recognizes and attaches himself or herself with the wider extent of organizational objectives. An engaged employee has more ownership and able to contribute towards his/her own growth and overall productivity. Boston focuses on implementing feedback given by employees with immediate effect and has 43% employees who are highly engaged. Facebook has a culture of contribution and each employee is recognized for his contribution to the overall goal of the company "**to make the world more open and connected**". This policy of contributing culture is communicated to all the candidates during recruitment process. That is why Facebook is not only known for being one of the most popular social networking platforms but for its highly engaging culture as well.



Under this study, the focus is to understand the relationship between employee empowerment and job performance. The study also tries to explore empirically the mediating effect of employee engagement in this regard. It was conducted on IT sector in Delhi NCR region with a sample size of 182 employees. The finding of the study reflects that engagement has its mediation effect on job performance with respect to employee empowerment.

**Keywords:** *Employee engagement, Employee empowerment, Job Performance, Mediation, Regression*

## 1. INTRODUCTION

Globalization and liberalization have led to many changes in the way organizations work and people dynamics. With the changing trends companies are compelled to understand the task force behavior and need. The overall productivity of the organization depends upon the individual performance.

Employees spend major portion of their day in the organization and hence it is important to take care of them for the success of the organization. As per the 2018 Deloitte Global Human Capital Trends report the millennial task force needs to be empowered and engaged in order to perform well<sup>1</sup>. In the current era employees need flexibility and involvement in decision making for being creative and contributing in a better way.

According to economics time “Companies with engaged and committed employees are frequently rewarded with better worker performance, higher productivity, less absenteeism, lower turnover, and higher customer satisfaction”.<sup>2</sup> Empowerment involves strengthening individuals’ feelings of their own effectiveness among other members of an organization (CONGER; KANUNGO, 1988).

Effective decision making requires participation of all the stakeholders, this leads to decentralization of power and empowerment of the employees (CARLESS, 2004). Employee engagement contributing to the empowerment leads to better

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performance. An engaged employee is passionate about his work and work in line with the overall goal of the company (TRUSS, et al., 2013).

As per McKinsey Global Institute survey (2017) engaged employees work harder. It was highlighted in the study that productivity improves by 20-25% in organizations with connected employees. This level of productivity growth has the potential for revenues of approximately \$1.3 trillion per year<sup>3</sup>.

## **2. LITERATURE REVIEW**

An engaged employee contributes to the organizational success through significant contribution. However in absence of sufficient engagement strategy the results could be otherwise. Decentralizing the decision making power leads to empowered employee, this is very important in the current era. The companies have realized this and are formulating strategies for empowering and engaging the employees for better performance.

### **2.1. Empowerment**

The concept of empowerment emphasizes participative management and job enrichment and has gained attention of the leader and company heads (ECCLES, 1993; SPREITZER et al., 1999b; BARTUNEK; SPREITZER, 2006). Decentralization of power in decision making enhances the alignment of the personal goals with the organizational goals.

The leader or the supervisor needs to execute the discretion of autonomy. While enhancing the strength of employee and his leader empowerment leads to better understanding of the decision making needs and coping capacity of the employee in complex scenario (CARLESS, 2004; HUMBORSTAD et al., 2008b). Empowered employee has a sense of ownership and realizing their own potential to perform well.

The leader, manager or the supervisor needs to exhibit a leadership style which is based on delegation of work and mutual trust. The manager must provide the employees with the necessary information and communication leaving the execution details to the employees for best result Potterfield (2012).The individual's internal and external feeling of empowerment and the belief of leader in act of

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<sup>3</sup> <https://www.poppulo.com/blog/why-is-employee-engagement-important/>

empowerment are mutually contributing to the overall empowering approach (SHAPIRA-LISHCHINSKY; TSEMACH, 2014).

The different aspects of empowerment can be categorized as the one based on process, on the basis of structure or the physiological perspective (QUIÑONES; VAN DEN BROECK; DE WITTE, 2013). The relationships between structural antecedents and resulting psychological states have been classified as the process based approach. The management practices emphasizing the delegation of responsibilities are termed as structural approach and psychological state of subordinates after they are empowered is based on the psychological approach of empowerment (LEE; WEI, 2011).

## **2.2. Employee Engagement**

The problem of employee attrition and consecutive strategies to retain them has led to emergence of employee engagement concept. An engaged employee have high level of involvement, commitment and satisfaction towards his job (HART; CABALLERO; COOPER, 2010).

According to the study of Bakker (2002) there is strong a relationship between employee engagement and employee productivity. Schmidt et al.'s influential definition of engagement was "an employee's involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention." This integrates the classic constructs of job satisfaction (SMITH et al., 1969), and organizational commitment (MEYER; ALLEN, 1997).

Schneider, Hanges, and Smith's (2003) most recent meta-analysis can be useful for understanding the impact of engagement. Engagement is more than simple job satisfaction. It can best be described as a harnessing of one's self to his or her roles at work. In engagement, people express themselves cognitively, physically, and emotionally while performing their work roles (KAHN, 1990).

A study conducted by Coffman and Gonzalez-Molina (2002)<sup>4</sup> points out that at the beginning of any job the employee is very engaged. He is ready to take initiatives

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<sup>4</sup> Gonzalez-Roma, V., Schaufeli, W. B., Bakker, A. B., & Lloret, S. (2004). Burnout and work engagement: Independent factors or opposite poles? *Journal of Vocational Behavior*, 68, 165-174.

and responsibility but after six months the level of engagement decreases up to 38% and eventually may remain only 20% of that in the initial stage.

### **2.3. Empowerment and Employee Work Engagement**

The process of delegation and responsibility sharing by the leader with his subordinate has been highlighted as empowerment by Conger and Kanungo (1988). Thus it is clear that the importance of empowered employee was recognized around four decades back by the researchers. The empowering process starts with the leadership style which does not believe in autonomy.

There are six major dimensions of such leadership; process control, assignment of ability, outcome control, participation in decision-making, and coaching (WANG et al., 2008). If the employee is empowered and engaged by the leader there are long term benefits for the organization. The empowered employee has high motivation level and when engaged in the best way shows better result (BAKKER, 2011).

### **2.4. The relationship between Empowerment and Performance**

Lot of research highlights that motivation and empowerment leads to better performance of the employee. Empowerment result into job satisfaction and it is evident that satisfied employee performs better and stays for a longer period in the organization. With the technology driven organization the hierarchical format of organization is changing and delegation/distribution of authority is required (SCINGDUENCHAI; PRASERT, 2005).

### **2.5. The relationship between Empowerment and Performance: mediating effect of Employee Engagement**

Productivity and performance of the employee are high in the presence of sufficient empowerment. Empowerment leads to job satisfaction and enhanced personal efficacy. The participation in decision making process also results in achievement of organizational goals. Flexibility in the task of the employee helps to give high quality output Dawson (2011). Employee engagement predicts employee productivity and organizational performance.

### **2.6. Mediating effect of Employee Engagement**

Most of the organizations talk about quality work and high performance. The empowered employee in presence of sufficient engagement during work is bound to perform at a higher level. Saks (2006) and Truss (2013) have highlighted in their study that employee engagement plays a mediating role between the relationship of employee empowerment and performance. Training, empowerment and rewards result into higher performance of the employee. Engaging the empowered employee through right stimulus and policies has a positive effect on overall performance (DEGAGO, 2014).

## **2.7. Overall performance**

Scingduenchai and Prasert (2005) in their study have highlighted that organizations have started creating employee empowering strategies so as to align individual goals with the organizational goal. Employee engagement further adds to this and makes the employees feel more attached to his work. The organization also is able to utilize the potential of the individual in the best way.

According to Mone and London (2010) the empowered and engage employee is more committed, involved and passionate for his work. Thus employee empowerment impacts the productivity of the employee through a better engaged employee. Thus there exists a mediating role of employee engagement in the relationship of empowerment and his productivity (ALIAS; NOOR; HASSAN, 2014).

## **3. HYPOTHESES**

Research hypotheses for the present study are:

- H<sub>1</sub> Empowerment is positively related with Employee Performance.
- H<sub>2</sub> Empowerment is positively related with Employee Engagement.
- H<sub>3</sub> Employee Engagement is positively related with Employee Performance.
- H<sub>4</sub> Employee Engagement mediates the relationship between Empowerment and Employee performance.

## **4. RESEARCH METHODOLOGY**

### **4.1. Measuring instruments**

The survey instrument for this study was composed of two parts. The first part was related with demographic information including respondent's gender, age,



qualifications and tenure, Second part was related with the employee empowerment, third part was related with work engagement and forth part was elated with job performance. The constructs were measured by using three standardized questionnaires namely, Empowerment (Five items) adapted from Hayes (1994) i.e I am empowered to solve customer problems, I am encouraged to handle customer problems by myself and so on were used to measure empowerment, and the shortest version of Utrecht Work Engagement Scale (nine items) were used to measure work engagement (SCHAUFELI et al., 2006).

Vigor, dedication, and absorption each consisted of three items i.e. at my work, I feel bursting with energy, I am enthusiastic about my job, I feel happy when I am working intensely and so on. Five items adapted from Babin and Boles (1998) i.e. this employee is a top performer, this employee gets along better with customers than do others and so on were used to measure job performance.

Responses to items Empowerment and Job Performance were rated on five point scales ranging from 5 (strongly agree) to 1 (strongly disagree) and Response options for items in Work Engagement (vigor, dedication, absorption) ranged from 6 (always) to 0 (never). Higher scores indicated higher levels of each construct (Job performance).

#### 4.2. Hypothesized Model

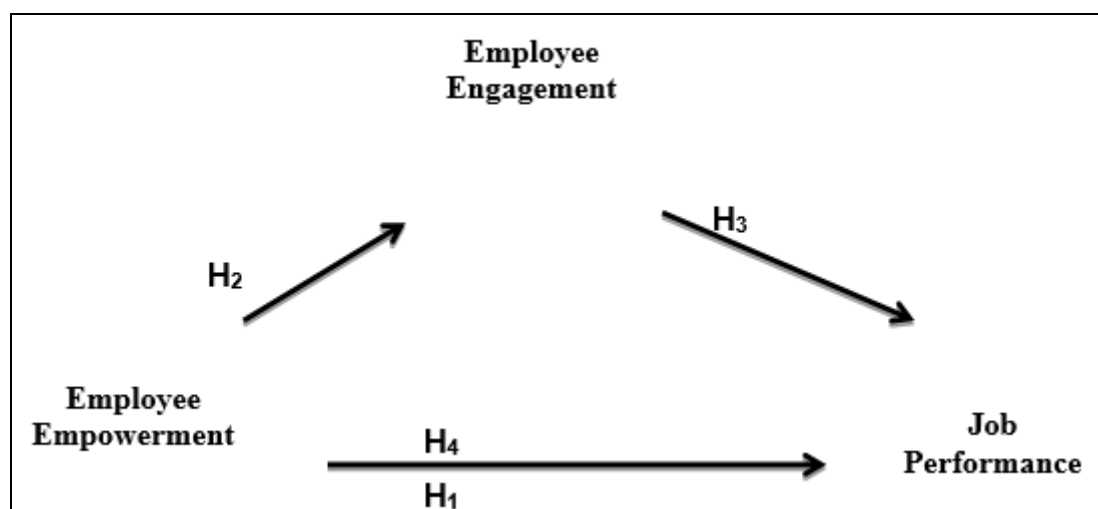


Figure 1: Hypothesis Model

Baron and Kenny (1986) proposed a four step approach in which several regression analyses are conducted and significance of the coefficients is examined at each step.

Hence the 4 equations would be:

- Step 1: Performance = B0+B1 empowerment + e
- Step 2: Performance = B0+B1 engagement + e
- Step 3: Engagement= B0+B1empowerment + e
- Step 4: Performance = B0+B1 empowerment + B2 engagement + e

**5. DATA ANALYSIS**

The empirical study was conducted on IT sector in Delhi NCR region with a sample of 182 employees. The four stage regression technique for mediation was applied to analyze the data.

Table 1: Regression output

		R square	T	P value
H1	Empowerment → Performance	0.084	4.075	0.001
H2	Engagement → Performance	0.05	3.148	0.002
H3	Empowerment → Engagement	0.042	2.907	0.001
H4	Empowerment + Engagement → Performance	0.168	5.95	0.001

The result of the Table 1 reflects that the highest value of T = 5.95 & R square =0.168 are for the H4. All four hypotheses have p value < 0.05 and hence all the four paths are significant.

The first hypothesis establishes the effect of empowerment on employee performance. The second hypothesis establishes the effect of engagementt on employee performance, here employee engagement is mediating variable and empowerment is the independent variable. The third hypothesis establishes that there is a significant impact of independent variable on the mediating variable.

Finally the fourth hypothesis with higher R square value reflects that the combination of both the empowerment and engagement explains the changes in performance in the better way. The change in R square (H4-H1) is 0.084, thus the variation explained through combination of both the variables is just double. The result indicates strong mediation of engagement in the relationship of employee empowerment and performance (BIESANZ; FALK; SAVALEI, 2010).

**6. DISCUSSION & CONCLUSION**

The result of the study supports the mediating role of employee engagement in the relationship of employee empowerment and employee performance.





Productivity and performance of the employee are high in the presence of sufficient empowerment. The empowered employee in presence of sufficient engagement during work is bound to perform at a higher level. Decentralization of power in decision making enhances the alignment of the personal goals with the organizational goals.

The leader or the supervisor needs to execute the discretion of autonomy. An engaged employee have high level of involvement, commitment and satisfaction towards his job. Engaged employee have higher satisfaction level, which motivates and infuse enthusiasm in the employee. This helps the organizations in lowering the attrition rate, low absenteeism and higher productivity.

According to the Gallup study in 2017 51 % employees are looking for a change in job. Thus it becomes important for the organization and researcher to focus on the factors which brings down the attrition rate. The current study establishes the importance of empowered and engaged employee for the better performance (SAKS, 2006; TRUSS et al, 2013).

## **7. MANAGERIAL IMPLICATIONS**

Organization needs continuously to transform and evolve. Employee empowerment and employee engagement are the two important areas where organizations needs to focus for enhancing job performance. It is important for the managers to bring their unique set of employees to the fore front and understand their need for enhanced results. The empowered and engaged employee seamlessly aligns themselves to the vision of the company thus contributing to the overall goal.

The manager that creates a culture of collaborative and cross functional contribution in all aspects of team, especially decision making enables higher productivity. Thus decentralization of authority, promoting employee feedback, recognition of their contribution communication of organizations vision is strongly recommended for the managers to follow for higher job performance.

All these things can be achieved only through empowering and engaging employees. The managers must make utmost efforts to empower and engage the employees for the better performance of individual and the organization in the larger perspective.

## **8. LIMITATION & FUTURE WORK**

The study was conducted in the Delhi-NCR region it could be extended to all metro cities in India. The sample size was 182; a larger sample would have been taken. The Pan India trends could also be studied.

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